Canadian Radio-television and Telecommunications Commission

2014–15

Departmental Performance Report

The Honourable Mélanie Joly, P.C., M.P.
Minister of Canadian Heritage

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Table of Contents

Minister's Message 1

Chairman and Chief Executive Officer's Message 3

Section I: Organizational Expenditure Overview 5

- Organizational Profile 5
- Organizational Context 6
- Actual Expenditures 15
- Alignment of Spending With the Whole-of-Government Framework 17
- Departmental Spending Trend 18
- Expenditures by Vote 19

Section II: Analysis of Program(s) by Strategic Outcome 21

- Strategic Outcome: Canadians have access to a world-class communication system 21
- Program 1.1: Canadian Content Creation 21
- Sub-Program 1.1.1: Diverse Canadian Content 23
- Sub-Program 1.1.2: Compelling Canadian Content 26
- Program 1.2: Connection to the Communication System 28
- Sub-Program 1.2.1: Quality Communication Services 30
- Sub-Program 1.2.2: Affordable Communication Services 33
- Program 1.3: Protection within the Communication System 35
- Sub-Program 1.3.1: Safety-enhancing Communication Services 37
- Sub-Program 1.3.2: Unsolicited Commercial Communications 39
- Internal Services 42

Section III: Supplementary Information 45

- Financial Statements Highlights 45
- Financial Statements 47
- Supplementary Information Tables 47
- Tax Expenditures and Evaluations 47

Section IV: Organizational Contact Information 49

Appendix: Definitions 51

Endnotes 55

Minister's Message

Every Canadian Heritage Portfolio organization, including the Canadian Radio-television and Telecommunications Commission (CRTC), enriches the lives of Canadians in its own way. Together, they contribute to the vitality and diversity of our cultural scene, as well as to the protection and promotion of our historical, artistic and documentary heritage. They also encourage innovation that allows Canada to be a true leader as we make the digital shift, all the while upholding our linguistic duality. We have every reason to celebrate the contribution of these institutions that make our country a great place to live.

As a result of its *Let's Talk TV* conversation with Canadians, the CRTC issued a series of decisions that will guide the television system in the coming years. In particular, Canadians will soon be able to subscribe to an affordable entry-level television service and then choose the channels they want on an individual basis, or in small, reasonably priced packages.

The CRTC also recognized that Canada has the creative talent to compete with the best in the world. It is adopting new measures to foster innovation and ensure the creation and promotion of compelling, high-quality content that audiences in Canada and around the world will want to watch.

As Minister of Canadian Heritage, I am pleased to present the *2014–15 Departmental Performance Report* for the Canadian Radio-television and Telecommunications Commission. I invite you to read through it to better acquaint yourself with the CRTC's achievements and the work it has done to make the cultural, social and economic life of our communities ever more dynamic.

The Honourable Mélanie Joly

Chairman and Chief Executive Officer's Message

I am pleased to present the Canadian Radio-television and Telecommunications Commission's (CRTC) *2014–15 Departmental Performance Report*. The report details the significant progress we have made to ensure that Canadian citizens, creators, and consumers have access to a world-class communication system.

This past March, we completed a wide-ranging conversation on the future of television called Let's Talk TV. Building on what we heard from Canadians, we have established a forward-looking framework that will enable the television system to adapt within a rapidly changing environment. Our decisions will foster a more dynamic marketplace in which Canadians will have access to compelling content, the freedom to choose the content that meets their needs, and the tools to make informed decisions when they switch service providers.

In addition, the CRTC held important public hearings on wholesale mobile wireless and wireline services. Our decisions seek to encourage greater choice, investment, and sustainable competition in these sectors. In the coming year, the CRTC will turn its attention to a large-scale review of the basic telecommunications services Canadians need to fully participate in the digital economy.

How the CRTC protects Canadians in the communication system evolved over the past year. We conducted extensive outreach to help businesses prepare for the coming into force of Canada's anti-spam legislation on July 1, 2014. We were also given new responsibilities to administer and enforce the Voter Contact Registry under the *Fair Elections Act*. As part of our efforts to promote compliance, we issued over $2 million in penalties for various violations of the Unsolicited Telecommunications Rules and took our first enforcement actions against companies that were not in compliance with the anti-spam law.

In the past year, the work of CRTC employees has been recognized through the Public Service Awards of Excellence and by the Community of Federal Regulators. We are proud of the work we are carrying out to ensure that Canadians have access to compelling audiovisual content, as well as a choice of innovative wireless and Internet services.

Jean-Pierre Blais
Chairman and CEO of the CRTC

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister:

The Honourable Mélanie Joly, Minister of Canadian Heritage

Institutional Head:

Jean-Pierre Blais, Chairman and Chief Executive Officer

Ministerial Portfolio:

Canadian Heritage

Year of Commencement:

1968

Main Legislative Authorities:

- *Canadian Radio-television and Telecommunications Commission Act*; [i]
- *Bell Canada Act*; [ii]
- *Broadcasting Act*; [iii]
- *Telecommunications Act*; [iv]
- *Canada Elections Act*,[v] and
- *An Act to promote the efficiency and adaptability of the Canadian Economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the* Canadian Radio-television and Telecommunications Commission Act, *the* Competition Act, *the* Personal Information Protection and Electronic Documents Act, *and the* Telecommunications Act[vi], referred to as "Canada's anti-spam legislation" or "CASL" in this document.

Organizational Context

Raison d'être and Responsibilities

The Canadian Radio-television and Telecommunications Commission (CRTC) is an administrative tribunal that regulates and supervises Canadian broadcasting and telecommunications in the public interest, as well as enhances the privacy and safety of Canadians.

The CRTC's main responsibilities include the following:

Regulatory Policy, Legislative Implementation and Regulation

- Developing regulatory policies for Canada's communication system
- Approving mergers, acquisitions and changes of ownership of broadcasting distribution undertakings
- Approving tariffs and agreements for certain telecommunications services
- Issuing, renewing and amending licenses for broadcasting distribution and programming undertakings
- Resolving competitive disputes

Outreach and Engagement with Stakeholders and Canadians

- Consulting and informing Canadians
- Responding to enquiries and complaints from Canadians
- Collaborating with domestic and international partners on issues
- Facilitating industry co-regulation and self-regulation through consultations, committees and working groups

Monitoring, Compliance and Enforcement

- Monitoring and reporting on the Canadian communication system
- Promoting and enforcing compliance with legislation, regulation and rules such as the Unsolicited Telecommunications Rules (UTRs), Canada's anti-spam legislation (CASL) and the Voter Contact Registry (VCR)

In addition, the CRTC annually updates a Three-Year Plan[vii] that details forecasted activities with respect to its three pillars: Create, Connect and Protect.

The CRTC undertakes its responsibilities with a focus on Canadians —as citizens, creators and consumers. Canada's communication system continues to evolve in a complex and dynamic manner, and is of growing importance to the lives of Canadians.

Strategic Outcome(s) and Program Alignment Architecture

1. Strategic Outcome: Canadians have access to a world-class communication system

- **1.1 Program:** Canadian Content Creation
  - **1.1.1 Sub-Program:** Diverse Canadian Content
  - **1.1.2 Sub-Program:** Compelling Canadian Content
- **1.2 Program:** Connection to the Communication System
  - **1.2.1 Sub-Program:** Quality Communication Services
  - **1.2.2 Sub-Program:** Affordable Communication Services
- **1.3 Program:** Protection Within the Communication System
  - **1.3.1 Sub-Program:** Safety-Enhancing Communication Services
  - **1.3.2 Sub-Program:** Unsolicited Commercial Communications

Internal Services

Organizational Priorities

Priority	Type[1]	Strategic Outcome(s) [and/or] Program(s)
Modernizing the regulatory framework for the Canadian broadcasting system	Previously Committed to	Canadian Content Creation

Summary of Progress

The television system is undergoing a fundamental shift brought on by broadband Internet and wireless networks. Increasingly, Canadians are bypassing the traditional curators of content (i.e. broadcasters) and watching programs in new ways: on their mobile devices, by binge-viewing multiple episodes of a TV series in one sitting and by accessing vast online libraries of content from around the world. In this age of abundance, the viewer is in control.

In response to this changing environment, the CRTC conducted a multi-phase process, called Let's Talk TV: A Conversation with Canadians,[viii] to build a forward-looking framework to shape the future of television in Canada. This included a broad public consultation process that led to a public hearing. Subsequent decisions and three new policies, which align with the CRTC's Create, Connect, and Protect pillars, were released in March 2015 and introduce changes in a measured and responsible way.

The CRTC continues to foster the success of Canada's creative talent. It is removing barriers to innovation and reinventing its approach to content made by Canadians, ensuring the creation and promotion of high-quality, compelling, and diverse content that audiences in Canada and abroad want to watch. To this end, the CRTC:

- Continued to set conditions and issue licences for broadcasting distribution undertakings to operate in Canada
- Reduced exhibition quotas, with a greater emphasis on programming expenditures and quality Canadian content
- Focussed on more flexible, forward-looking approaches to the production and financing of high-impact Canadian programs
- Discontinued rules under which specialty channels could only broadcast certain types of content
- Conducted targeted reviews of the Commercial Radio Policy and the ethnic radio licensing framework, resulting in a modified Commercial Radio Policy and the consultation phase of the ethnic radio licensing framework review

[1] "Type" is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Improving access to advanced and competitive communications services	Previously Committed to	Connection to the Communication System

Summary of Progress

In a world of choice, more and more Canadians are accessing the content they want, when they want, and on multiple devices. Through the Let's Talk TV consultations, the CRTC introduced a roadmap to foster a more dynamic marketplace – one in which Canadians have greater choice, as well as the flexibility and affordability to meet their unique needs and realities. To this end, key changes include:

- Access to subscribe to entry-level television services capped at $25 per month
- Access to discretionary channels on a pick-and-pay basis
- Access to reasonably-priced bundles
- Continued access to free over-the-air television as a competitive alternative to subscription television services
- Freedom for Canadians to switch service providers without having to give 30 days notice
- Easier access for Canadians with disabilities to more content that has been adapted to suit their needs
- Processing of over 480 broadcasting applications; 11 requests for formal dispute resolutions between television broadcasters and distributors; and numerous informal dispute resolutions between television broadcasters and distributors

The CRTC engaged in a number of activities to improve access to advanced and competitive telecommunications services. To this end, the CRTC:

- Held a series of hearings to determine what measures should be taken to encourage more choice, investment, and sustainable competition in telecommunications services (i.e. wholesale mobile wireless and wholesale wireline services and associated policies)
- Prohibited exclusivity provisions in wholesale mobile wireless roaming arrangements
- Decided in favour of an open and non-discriminatory marketplace[ix] for mobile television services
- Reviewed Northwestel Inc.'s revised modernization plan, and made decisions[x] providing price protection to the company's retail Internet service customers
- Received a report[xi] submitted by the Inquiry Officer on the satellite transport services used to provide telecommunications services in rural and remote areas of Canada
- Processed over 500 tariff and intercarrier agreement applications, and assessments of over 50 Part 1[2] applications (e.g. disputes between providers), including six decisions in response to

[2] A Part 1 proceeding is initiated when an applicant files an application that is not the subject of a notice of a CRTC consultation.

applications to review and vary[3] Telecommunications orders and decisions; also addressed 28 requests for staff-assisted dispute resolution

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Strengthening the security and safety of Canadians within the communications system	Previously Committed to	Protection Within the Communication System

Summary of Progress

Greater use of digital technologies is enhancing the lives of Canadians; however, it also makes them vulnerable to unsolicited commercial communications, including unsolicited telemarketing calls and unsolicited commercial electronic messaging. To protect Canadians from unsolicited telemarketing calls, emails, and text messages, as well as the unauthorized installation of computer programs, the CRTC promoted and monitored compliance with the Unsolicited Telecommunications Rules[xii] (UTRs) and Canada's anti-spam legislation (CASL). To this end, the CRTC :

- Conducted over 50 investigations resulting in a variety of actions, such as warning letters, citations, and notices of violation with administrative monetary penalties totalling over $2 million issued by the Chief Compliance and Enforcement Officer to entities in violation of the UTRs. The Chief Compliance and Enforcement Officer has also issued notices of violation with administrative monetary penalties totalling over $1.7 million to entities allegedly in violation of CASL
- Partnered with domestic and international telecommunications service providers, academia, as well as regulatory and law enforcement agencies, to explore tools and best practices to mitigate telephony abuses and to undertake targeted enforcement actions outside Canada
- Developed an action plan[xiii] to enhance 9-1-1 services, improving the safety and security of Canadians
- Approved recommendations made by the CRTC Interconnection Steering Committee (CISC) Emergency Services Working Group regarding wireless location accuracy requirements for Canada, including the establishment of national benchmarks
- Compelled broadcasters to transmit timely warnings to Canadians through an emergency alert system about imminent risks to life and property, such as floods, tornadoes, industrial disasters, and amber alerts
- Mandated the creation of a television service provider code of conduct[xiv] and the identification of an independent ombudsman to improve service for customers and to address complaints
- Established a Voter Contact Registry[xv] to help protect Canadians from rogue and misleading calls during federal elections

[3] A review and vary application is a request for the CRTC to reconsider a decision, by either reviewing, rescinding or modifying it.

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Building a high-performing organization	Previously Committed to	Internal Services

Summary of Progress

The CRTC is committed to building a high-performing organization to achieve management excellence and has made important progress in delivering more efficient and effective services and business processes. Key progress accomplished by the CRTC includes:

- Improved its digital presence and citizen engagement efforts through enhancements to the CRTC's social media presence and website, leveraging multiple digital platforms to facilitate real-time discussions with Canadians on issues that are meaningful to them
- Achieved operational spending efficiencies of 8%
- Implemented the Government of Canada's new directive on performance management, and provided training to managers and staff
- Provided employee training on strategic thinking, creativity and innovation, leadership, values and ethics, and a respectful workplace, in both official languages
- Reviewed and improved integrated business planning practices and tools. Namely, the CRTC introduced a broader annual environmental scanning exercise, and pursued outreach efforts to the academic community to broaden its knowledge base of the communications landscape
- Undertook a pilot project to make CRTC data more accessible to Canadians on the Government of Canada's Open Data Portal[xvi] as part of the Directive on Open Government
- Modernized information management practices: the Treasury Board of Canada Directive on Recordkeeping[xvii] was successfully implemented, as were plans to improve the access to information and privacy (ATIP) process, including training sessions for staff on both the ATIP process and the CRTC's document management system

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Fragmented distribution of broadcasting content and communication services Given that constant technological evolution allows for the rapid development of new global communication services, there is a risk that the CRTC's capacity to fulfill its legislated objectives will be impacted.	• The CRTC continued to monitor and strategically analyze market conditions and technological developments to advance its regulatory policies. • The CRTC engaged in continuous dialogue with consumers, citizens, creators, and service providers to identify and analyze trends. • The CRTC collaborated with external stakeholders on the promotion of Canadian programming.	All Programs
Increased reliance on communications services Given that Canadians' reliance on communications services is rapidly increasing, there is a risk that the CRTC's policies and regulations will not be developed quickly enough to address emerging issues.	• The CRTC conducted ongoing research and analysis to identify gaps, challenges, trends, and issues, and to ensure that policies and regulations can be developed to respond to issues in a timely manner. • The CRTC developed consultative strategies for key external stakeholders to monitor and discuss evolving trends impacting policies and regulations.	All Programs
Human resources Given the rapidly changing CRTC workforce, including new employees and employees eligible for retirement, there is a risk that the CRTC will not have an experienced, well-trained workforce to successfully contribute to the achievement of the CRTC's objectives.	• The CRTC continued to conduct strategic human resource planning, including talent management, training and learning, and succession planning. • The CRTC continuously reviewed and monitored the efficacy of its human resource plans.	All Programs

As Canadians' reliance on communications services continues to increase, and technology continues to evolve and enable viewers to access content by bypassing traditional distribution networks, the CRTC has had to reach out and consult with key stakeholders and the public at large, to ensure that its policies and regulations respond to key issues.

The CRTC launched Let's Talk TV in October 2013 to have a conversation with Canadians about the future of the television system and how it can adapt to evolving technologies and new habits. The two-year process, involving multiple phases and innovative engagement methods, produced a record 13,000 interventions from Canadians, industry, and interested stakeholders. The subsequent 2014–15 decisions seek to open the door to new ideas and remove the barriers to innovation that have traditionally hampered broadcasters and producers.

The CRTC participates in partnerships such as the London Action Plan, the National Cyber-Forensics and Training Alliance, and the International Do Not Call Network, to optimize its compliance and enforcement activities. The CRTC also partners with multilateral organizations, including the International Institute for Communications, the International Telecommunications Union, and the Organisation for Economic Co-operation and Development, to be informed on communications issues that transcend borders and best practices in other jurisdictions.

In 2014–15, the CRTC established its capacity to collect and analyze intelligence to support enforcement of the Unsolicited Telecommunications Rules and CASL. The CRTC synthesizes large volumes of data, which informs the selection of high-impact enforcement cases.

The CRTC collects data through annual surveys of broadcasting and telecommunications companies in Canada, which help it assess the effectiveness of its regulatory policies and decisions. In 2014–15, the CRTC made improvements to its annual Communications Monitoring Report[xviii] to make it more user-friendly to non-specialized audiences. The CRTC also introduced broader environmental scanning as part of its strategic planning process, which helps it to identify trends, risks, and opportunities that are likely to shape its strategic direction over the next three years.

In 2014–15, the CRTC engaged more systematically with the Canadian academic community to promote the development of a new generation of researchers in the area of communications policy and to enhance its evidence base to better reflect the public interest.

In addition, in 2014–15, the CRTC continued to implement its Human Resources Strategic Plan 2013–16. The plan included talent management initiatives, a training and learning program, a job rotation program, and succession planning.

Finally, the CRTC established a Human Resources Management Advisory Committee, which consists of representatives from across the organization and is responsible for examining, and providing advice and leadership on sound people management.

Actual Expenditures

Budgetary Financial Resources (dollars)

	2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	Difference (actual minus planned)
Voted and Statutory (see Note 1)	10,586,699	10,586,699	14,447,720	11,446,162	859,463
Vote Netted Revenue	47,443,989	47,443,989	47,626,795	46,322,218	-1,121,771
Total Operating Budget (see Note 2)	58,030,688	58,030,688	62,074,515	57,768,380	-262,308

Note 1: The voted and statutory reflected in the 2015–16 Main Estimates is the CRTC's total operating budget, less the vote-netted revenue.
Note 2: The total operating budget includes respendable revenue and statutory expenditures for employee benefit plans.

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
437	445	8

Funding authorities include all amounts approved in the 2014–2015 Main Estimates and Supplementary Estimates. For explanations of spending variances, please refer to the section entitled "Departmental Spending Trend."

Budgetary Performance Summary for Strategic Outcome(s) and Program(s) (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used) (see Note 4)	2013–14 Actual Spending (authorities used) (see Note 4)	2012–13 Actual Spending (authorities used) (see Note 4)
Strategic Outcome: Canadians have access to a world-class communication system (see Note 1)								
Canadian Content Creation (see Note 2)	16,179,911	16,179,911	16,019,349	15,978,618	17,002,556	15,249,755	19,411,193	19,821,180
Connection to the Communication System (see Note 3)	18,746,077	18,746,077	18,998,630	18,949,898	19,565,624	18,042,288	23,620,843	21,286,180
Protection Within the Communication System	9,594,595	9,594,595	11,108,068	11,069,359	11,198,435	10,458,959	-	-
Subtotal	44,520,583	44,520,583	46,126,047	45,997,875	47,766,615	43,751,002	43,032,036	41,107,360
Internal Services Subtotal	13,510,105	13,510,105	13,755,790	13,710,722	14,307,900	14,017,378	14,539,502	15,349,760
Total	58,030,688	58,030,688	59,881,837	59,708,597	62,074,515	57,768,380	57,571,538	56,457,120

Note 1: The strategic outcome in 2012–13 was that Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable, and high-quality telecommunications services.

Note 2: Formerly "Canadian Broadcasting" in 2012–13.

Note 3: Formerly "Canadian Telecommunications" in 2012–13.

Note 4: Actual spending reflects gross expenditures, which include respendable revenues.

The CRTC's Program Alignment Architecture (PAA) in 2012–13 included the following programs: Canadian Broadcasting, Canadian Telecommunications, and Internal Services. For fiscal year 2013–14, the CRTC received the Treasury Board of Canada's (Treasury Board) approval to revise its PAA to include the following programs: Canadian Content Creation, Connection to the Communication System, and Internal Services. The Treasury Board approved an additional change for 2014–15 to add the program "Protection Within the Communication System." This new program was funded through a reallocation of resources from the three programs that existed in 2013–14.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2014–15 Actual Spending With the Whole-of-Government Framework[xix] (dollars)

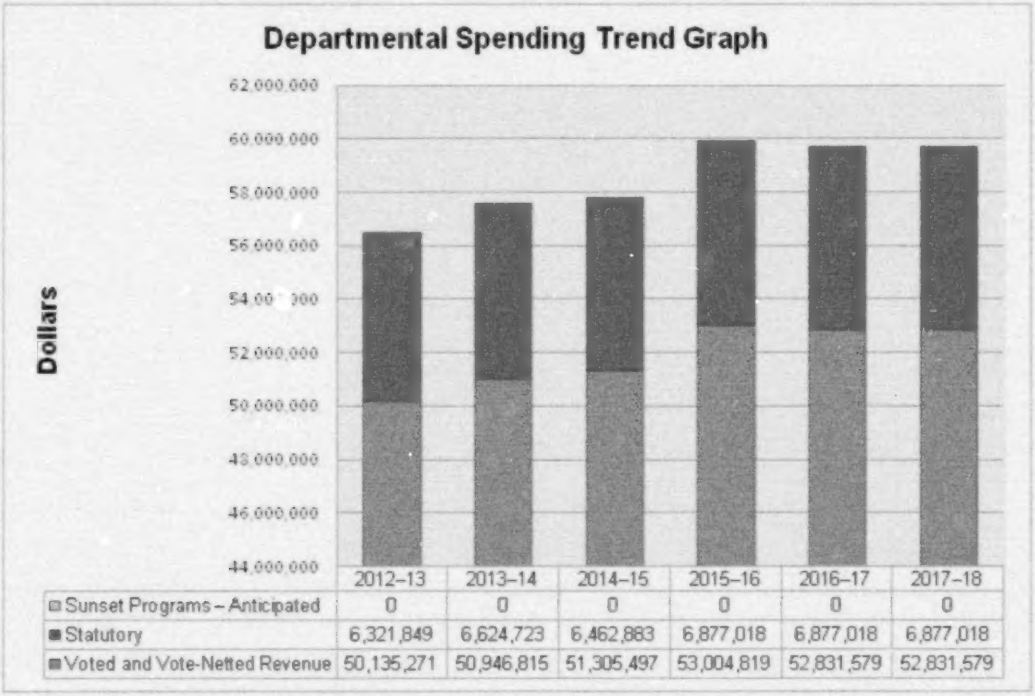
Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Actual Spending
Canadians have access to a world-class communication system	1.1 Canadian Content Creation	Social Affairs	A vibrant Canadian culture and heritage	15,249,755
	1.2 Connection to the Communication System	Economic Affairs	A fair and secure marketplace	18,042,288
	1.3 Protection Within the Communication System	Social Affairs	A safe and secure Canada	10,458,959

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	18,746,077	18,042,288
Social Affairs	25,774,506	25,708,714
International Affairs	0	0
Government Affairs	0	0

Departmental Spending Trend

The graph presented below shows the total spending of the Canadian Radio-television and Telecommunications Commission. There are no sunset programs.



	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	6,321,849	6,624,723	6,462,883	6,877,018	6,877,018	6,877,018
Voted and Vote-Netted Revenue	50,135,271	50,946,815	51,305,497	53,004,819	52,831,579	52,831,579

The total spending reflects those expenditures incurred by the CRTC related to all funding authorities approved during the fiscal year. Funding authorities include all Parliamentary appropriations and revenue sources: Main Estimates, Supplementary Estimates, Treasury Board Vote transfers (including the operating budget carry-forward), and revenues from Part 1 broadcasting licence fees, telecommunications fees, and unsolicited telecommunications fees.

In 2012–13, the CRTC launched an internal initiative to review its organizational structure and priorities, with the objective of finding efficiencies and reducing operating expenses. As a result of this review, it put in place several efficiency improvements that contributed to reduced spending levels. For example, overall expenditures on travel, hospitality, and conferences decreased by $0.5 million (or 36%) compared to 2011–12.

Starting in 2013–14, the CRTC achieved savings of $0.4 million, as well as ongoing savings through program reductions for its statutory investigation and enforcement activities under

CASL. The CRTC's overall expenditures on travel, hospitality, and conferences decreased by $0.2 million (or 20%) compared to its 2012–13 expenditures. The increase in the CRTC's overall expenditures for fiscal year 2013–14 is attributed primarily to the creation of a national spam reporting centre and an increase in statutory expenditures related to employee benefit plans.

In 2014–15, the increase in overall expenditures results from a combination of increases in expenditures pertaining to (i) a one-time transition payment for implementing salary payments in arrears; (ii) compensation adjustments for collective agreements ratified and paid; (iii) expenditures for compliance and enforcement activities related to CASL, which took effect on July 1, 2014; and (iv) expenditures related to the implementation of the Voter Contact Registry.

Spending levels for the period from 2015–2016 to 2017–2018 correspond to the planned spending levels approved in the Main Estimates. At this time, no incremental amounts have been approved above the Main Estimates levels. Supplementary funding for items such as salary adjustments for new collective agreements and carry-forward adjustments are unknown at this time and are therefore not reflected.

Expenditures by Vote

For information on the CRTC's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*,[xx] which is available on the Public Works and Government Services Canada website.[xxi]

Section II: Analysis of Program(s) by Strategic Outcome

Strategic Outcome: Canadians have access to a world-class communication system

Program 1.1: Canadian Content Creation

Description

This program focuses on ensuring that a wealth of Canadian content is created and made available to all Canadians on a variety of platforms. Through its orders, decisions, licensing frameworks, and other regulatory activities, the CRTC encourages the creation of diverse programming that reflects the attitudes, opinions, ideas, values, and artistic creativity of Canadians. By requiring the display of Canadian content in entertainment programming and the provision of information and analysis concerning Canada, the CRTC is enabling Canadians to better participate in their country's democratic and cultural life.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
16,179,911	16,179,911	17,002,556	15,249,755	-930,156

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
122	115	-7

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The broadcasting system provides Canadians with a wealth of Canadian programming.	Total spending on Canadian television programming projects.	$2.6 billion	$2.3 billion[4]

[4] Most recent data is from the 2013–14 fiscal year.

Performance Analysis and Lessons Learned

The industry spent $2.3 billion on independent Canadian television programming in 2013–14,[5] reflecting the CRTC's continued commitment to ensuring that the broadcasting system provides Canadians with a wealth of Canadian programming through its decisions, licensing, and other regulatory activities. This result is higher than industry spending in 2012–2013 ($2.2 billion), but slightly short of the $2.6 billion target.[6]

Another measure of Canadian programming production is Canadian Programming Expenditures (CPE), which totalled $2.9 billion industry-wide in 2013–14.[7] Canadian programming production is also supported by other funding sources, including the Canada Media Fund, certified independent funds, local expression contributions from broadcasting distribution undertakings, tangible benefits, as well as federal and provincial tax credits. These funding supports totalled $4.1 billion in 2012–13 (the most recent data available).

Building on its public engagement initiative, Let's Talk TV, aimed at designing a forward-looking regulatory framework for Canada's television system, the CRTC released, in March 2015, "The Way Forward – Creating Compelling and Diverse Canadian Programming,[xxii] the first of three new policies.[8] In this policy, the CRTC provided tools to promote the creation of Canadian programming, and made recommendations to governments and agencies on ways to enable the production sector to grow in the video environment. The CRTC also launched pilot projects and reviewed its own policies for certification to allow for greater flexibility in the creation of Canadian programs. To support quality over quantity in Canadian programming, the CRTC shifted its focus from a regulatory approach based on exhibition quotas (the number of hours of Canadian programming broadcast) to one based on expenditures (the amount of money spent on Canadian programming), and eliminated genre protection, under which specialty channels could only broadcast certain types of programs.

5 Most recent data is from the 2013–14 fiscal year.

6 Taken from the Canadian Media Production Association Profile.

7 This figure includes the CRTC's required expenditures on Canadian programming by private broadcasters through conditions of licence totalling $2.1 billion in 2013–14, as well as $786 million in spending by the Canadian Broadcasting Corporation on Canadian programs in the same broadcast year.

8 The other two policies were "A World of Choice – A Roadmap to maximize choice for TV viewers and to foster a healthy, dynamic TV market" and "Navigating the Road Ahead – Making informed choices about television providers and improving accessibility to television programming." Details are outlined under Programs 1.2 and 1.3.

Sub-Program 1.1.1: Diverse Canadian Content

Description

As set out in the *Broadcasting Act* and through its broadcasting licensing processes and regulatory frameworks, the CRTC supports the creation of diverse Canadian programming that provides a balance of information and entertainment for all Canadians. The CRTC will ensure that Canadian programming is available in both official and minority languages. By providing access to a number of local, regional, and national information sources, Canadians will be better informed and therefore more able to actively participate in our democratic society

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
8,028,629	7,507,125	-521,504

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
59	55	-4

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results[9]
Diverse Canadian programming is created and broadcast	Percentage of examined undertakings compliant with regulatory requirements regarding broadcast of Canadian programming	90%	93.3%
	Percentage of examined undertakings compliant with regulatory requirements to spend and/or contribute to funds or initiatives supporting Canadian content creation	90%	92.6%

Performance Analysis and Lessons Learned

Of the radio and television undertakings examined, 93.3% (405 of 434) were compliant with the CRTC's broadcasting requirements for Canadian programming, exceeding the 90% target. As well, 92.6% (200 of 216) of these undertakings were compliant with the CRTC's spending and/or contribution requirements to support Canadian content creation, exceeding the 90% target. These results demonstrate the CRTC's continued support for the creation of diverse Canadian programming that provides a balance of information and entertainment, access to a number of local, regional, and national information services, and is available in both official languages and in third languages.

The CRTC also continued to set conditions to ensure that the diversity of ownership and programming are maintained, and continued to monitor and report on the Broadcasting sector. As part of Let's Talk TV, the CRTC explored tools to ensure that a broad variety of programming that reflects the diversity of all Canadians (linguistically, geographically, culturally, and demographically) continues to be made available in the Canadian television system. In particular, the CRTC removed barriers to innovation, and revised its regulatory approach to encourage the creation and promotion of high-quality, compelling, and diverse content. Measures included a focus on program investment rather than exhibition quotas, broader flexibility for the production sector to promote Canadian content made for global audiences, the elimination of content restrictions on specialty channels, and greater choice, flexibility, and affordability regarding television services to ensure that viewers continue to discover and enjoy access to a diversity of programming.

[9] Data reflects the broadcast year (September 1, 2013 to August 31, 2014).

The CRTC began its ethnic policy licensing framework review for radio[xxiii] to address specific issues related to over-the-air radio services and respond to changes in Canada's demographic makeup. This included an informal consultation with key stakeholders, mainly Canadian ethnic broadcasters and representatives of ethnic communities, in 2014–15.

Sub-Program 1.1.2: Compelling Canadian Content

Description

Through the conditions it places on broadcasters and distribution undertakings, the CRTC will ensure that Canadians have access to high quality Canadian programming that is supported by strong production values. Canadian drama and comedy programs that reflect our values and attitudes will be compelling to Canadians.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
8,151,282	7,742,630	-408,652

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
63	60	-3

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results[10]
Compelling Canadian programming is created	Percentage of total television viewing is to Canadian programming	48%	49.7%
	Average percentage of radio listening is to Canadian content	50%	53.5%

Performance Analysis and Lessons Learned

Of TV watched in Canada for the broadcast year, 49.7% was Canadian programming, as measured by Numeris. This result is above the target of 48%. Of radio listening in Canada, 53.5% was to Canadian content, also above the 50% target. These results demonstrate that compelling Canadian content is being created and broadcast. The CRTC continued to set conditions to ensure that broadcasting distribution undertakings provide programming choices that reflect Canadians and that contribute to the creation and broadcast of compelling Canadian content.

[10] Data reflects the broadcast year (September 1, 2013 to August 31, 2014).

Through Let's Talk TV, the CRTC set out policies on building a future television system that encourages the creation of high-quality, compelling, and diverse programming made by Canadians that leads the transition to an increasingly on-demand environment.

The CRTC undertook a process to renew the licences for Rogers Media Inc.[xxiv] television services to ensure that Rogers provides programming that meets the interests of Canadians, and makes appropriate contributions to the creation and broadcast of Canadian content. Early in the Let's Talk TV process, the CRTC decided to expand its review of its community programming policy to include the overall state and funding of locally relevant and reflective television programming. The CRTC will consider the licence renewals of the French-language stations owned by Québecor Media Inc., Remstar Diffusion Inc., and Télé-Québec once this review is complete.

The CRTC issued its modified Commercial Radio Policy[xxv] in 2014–15, in which it established a more streamlined regulatory framework for commercial radio, a new process for low-power stations, new mechanisms to deal with non-compliance, and a more flexible approach to permit innovation and experimentation with hybrid digital (HD) radio technology.

In September 2014, the CRTC issued a decision[xxvi] on the methodology for determining tangible benefits and the value of the transaction. The decision also provides additional guidance to ensure that the benefits proposed by applicants for change-in-ownership transactions are in the public interest and yield measurable improvements to the communities served by the Canadian broadcasting system. For television ownership transactions, the CRTC will require future tangible benefits to be directed mainly to the production of Canadian programming. For radio ownership transactions, the CRTC decided to maintain its current approach regarding tangible benefits, concluding that its current framework is clear and effective in yielding benefits to Canada's radio broadcasting system.

Program 1.2: Connection to the Communication System

Description

The CRTC facilitates the orderly development of a communication system for all Canadians in order to strengthen the social and economic fabric of Canada and enhance the safety and interests of Canadians. This program focuses on ensuring that Canadians can connect to a choice of accessible, innovative, and quality communication services at affordable prices, and thereby have access to, amongst other things, compelling and creative Canadian programming.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
18,746,077	18,746,077	19,565,624	18,042,288	-703,789

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
132	135	3

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The communications system provides quality and affordable communication service options to Canadians	Percentage of retail telecommunications revenues from competitive markets	94%	95%[11]

Performance Analysis and Lessons Learned

Of retail telecommunications revenues generated, 95% were in competitive markets. This result meets the CRTC's target, and demonstrates that Canadians have a high level of access to choice in retail markets. The markets in which the CRTC continues to regulate the price for local services are often in rural or remote communities where there is generally less competition.

In 2013, the CRTC found that there was limited competition in the market for retail Internet services offered using terrestrial facilities in Northwestel Inc.'s (Northwestel) operating territory.

[11] Data for the 2014 calendar year.

Consequently, the CRTC decided that it would regulate, on an exceptional basis, Northwestel's rates for these services. In March 2015, the CRTC released a decision[xxvii] in which, among other things, it required Northwestel to lower its rates for certain residential Internet services by 10-30%.

As part of Let's Talk TV, the CRTC ensured continued access to free over-the-air television as a competitive alternative to subscription television services. The CRTC also set out its revised policy framework, entitled "A World of Choice,[xxviii]" to give Canadians greater choice and control regarding the selection and packaging of their television services by requiring broadcasting distribution undertakings (BDUs) to offer a small, affordable, basic television service that prioritizes Canadian services and is capped at $25 per month. The CRTC now also requires BDUs to allow Canadians to purchase discretionary programming services on a "pick-and-pay" basis and in small, reasonably priced packages. Finally, the CRTC mandated the establishment of an industry code of conduct to clarify the terms of wholesale agreements negotiated by broadcasters and television service providers.

To ensure that Canadians with hearing or speech disabilities who use sign language can communicate with voice telephone users, the CRTC decided that video relay service (VRS) must be offered in Canada. The associated Telecom Regulatory Policy[xxix] included direction on how VRS will be funded, identified an annual funding cap of $30 million, and established an independent VRS administrator. The CRTC subsequently approved the structure and mandate of the administrator,[xxx] and the 2015 budget for VRS.[xxxi]

Sub-Program 1.2.1: Quality Communication Services

Description

Through its regulatory frameworks, the CRTC contributes to ensure that Canadians have a choice of quality communication service providers for telephone, Internet access, wireless and broadcasting distribution services. The CRTC monitors the broadband speeds and network practices of Internet service providers to ensure that they meet the expectations of Canadians and are capable of providing Canadians with access to new and innovative services. The CRTC reviews and updates its regulatory decisions and provides alternative dispute resolution services to ensure that impediments to a competitive marketplace for the delivery of communication services are addressed. As well, the CRTC continues to develop regulatory frameworks and coordinate the activities of industry groups to provide Canadians with disabilities access to communication services.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
9,961,874	9,543,598	-418,276

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
70	71	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Quality and accessible communication services	Percentage of households that have access to broadband speeds of at least 5 megabits per second (Mbps) downstream and 1 Mbps upstream	100%	96%[12]

[12] Data for the 2014 calendar year.

	Percentage of retail quality of service indicators met by local telephone companies	95%	91%[13]
	Percentage of examined undertakings in compliance with regulatory requirements regarding accessibility	100%	100%

Performance Analysis and Lessons Learned

In 2011, the CRTC set a target that 100% of households would have access to broadband speeds of at least 5 megabits per second (Mbps) downstream and 1 Mbps upstream by December 31, 2015.[14] As of December 31, 2014, 96% of Canadian households had access to the Commission's target download and upload speeds, up from 91% in 2013. The households that do not have access to these speeds are generally in rural and remote areas.

To support Northern and rural communications,

- The CRTC reviewed Northwestel's Modernization Plan to ensure that the implementation targets are being met, approved Northwestel's terrestrial retail Internet service rates, and mandated Northwestel to make changes to some of these rates to reduce the disparity between the rates for the company's Internet services and similar services in other areas of Canada.

- The CRTC issued a decision[xxxii] and monitored the process of deferral-account-funded broadband service expansion.[15] Broadband services were made available in 91 rural and remote communities in Ontario, Quebec, and Manitoba through deferral-account-funded broadband service expansion.

- The Inquiry Officer, appointed by the CRTC, completed her study on satellite transport services used to provide telecommunications services in Canada. She found that Internet service speeds in satellite-dependent communities are, in most cases, below the Commission's target speeds and that the costs to provide telecommunications services

13 Data for the 2014 calendar year.

14 In the CRTC's *Report on Plans and Priorities 2014–15*, the date to achieve this target was published incorrectly as December 31, 2014. The correct date is December 31, 2015.

15 In Telecom Decisions 2010-637, 2010-638, and 2010-639, the Commission approved deferral account draw-downs by Bell Aliant Regional Communications, Limited Partnership; Bell Canada; MTS Allstream Inc.; and TELUS Communications Company, to expand broadband service to certain rural and remote communities.

over satellite are high, which limits their availability. The Inquiry Officer recommended a review of Telesat Canada's price ceiling for certain fixed satellite services.[16]

- The CRTC prepared for its basic telecommunications services proceeding,[17] in which it will examine, among other issues, the availability of telecommunications services to determine which areas in Canada are under- or unserved.

The CRTC's retail quality of service regime[xxxiii] was established to measure the level of service that telephone companies provide to their subscribers. Of retail quality of service indicators, 91% were met by local telephone companies, compared to the target of 95%. Failures in meeting the standards for retail quality of service were generally limited to a single month. The CRTC followed up on cases where companies missed the standards in consecutive months, resulting in the standards being met or surpassed in subsequent months.

Based on the information available to the CRTC, 100% of examined undertakings appear to be compliant with current accessibility requirements. The CRTC continued to monitor the broadcasting and telecommunications industries' progress regarding accessibility, and to challenge them to increase accessibility for all Canadians.

Through a series of working group meetings with the largest Internet service providers (ISPs) across Canada, the CRTC secured cooperation towards launching a national broadband performance measurement program to measure the actual versus advertised performance of broadband connections. The results will help inform Canadians and ISPs about the state of Canadian broadband, as well as the CRTC in its broadband policy-making activities. Individual Canadians will be recruited to participate in the program through the installation of specialized equipment in their homes.

16 A proceeding to review Telesat Canada's price ceiling for certain fixed satellite services was subsequently launched in the 2015-16 fiscal year through Telecom Notice of Consultation 2015-133.

17 The proceeding was subsequently launched in the 2015–16 fiscal year through Telecom Notice of Consultation 2015-134.

Sub-Program 1.2.2: Affordable Communication Services

Description

The CRTC seeks to ensure that Canadians are able to connect to telephone, Internet access, wireless and broadcasting distribution services at rates that are affordable and provide value. The CRTC assesses tariffs provided by service providers, monitors developments in the communications industry, monitors consumer complaints and provides information to consumers to ensure that Canadians can make informed choices between service providers who offer innovative and affordable packages of services.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
8,784,203	8,498,690	-285,513

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
62	64	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Consumers have communication service choices	Percentage of households that have access to three or more service providers for broadband Internet service	95%	98%[18]
	Percentage of households that have access to three or more broadcasting distribution undertakings	95%	92%

Performance Analysis and Lessons Learned

As of December 31, 2014, 98% of Canadians had access to three or more broadband service providers with 1.5 Mbps service, which exceeds the CRTC's target of 95%. Ninety percent of

[18] Data for the 2014 calendar year.

Canadians also had access to three or more broadband service providers offering broadband Internet service at 5 Mbps. Subscribers living in rural communities generally had fewer Internet service providers to choose from than those living in urban communities. Similarly, as of August 31, 2014, 92% of Canadians had access to three or more broadcasting distribution undertakings. Canadians living in urban centres had access to three types of service providers: cable, direct-to-home (DTH) satellite, and Internet Protocol television (IPTV). However, the rollout of IPTV is mainly an urban phenomenon. Canadians living in rural areas generally had a choice between DTH satellite and, to a lesser extent, cable service providers.

The CRTC held a hearing[xxxiv] in 2014 to review wholesale wireline services (including fibre-to-the-premises facilities) and associated policies. The goal of the review was to ensure that the CRTC's wholesale services framework facilitates the development of a competitive Canadian telecommunications market, while balancing incentives to invest in innovative networks. Regarding wholesale mobile wireless services, the CRTC facilitated competition in the wholesale mobile wireless market by prohibiting exclusivity provisions in wholesale mobile wireless roaming agreements between Canadian carriers for services in Canada. The CRTC also held a hearing as part of a proceeding to examine whether the wholesale mobile wireless services market (including roaming, and tower- and site-sharing services) is sufficiently competitive.

To clarify the role of payphones in the Canadian communication system, the CRTC published the results of its fact-finding exercise,[xxxv] and as a result launched two further processes to address issues raised: one with respect to the public notification policy for the removal of the last payphone in a community[xxxvi] and the other on safeguards on rates for non-cash calls.[xxxvii]

The CRTC hosted a meeting with the 11 largest communications service providers in Canada to facilitate a discussion on establishing a clear and predictable approach that addresses consumer issues related to paper bill fees. In December 2014, changes to the *Telecommunications Act* and the *Broadcasting Act* were introduced to prohibit communications service providers from charging customers a fee to receive paper bills for their wireless, Internet, telephone, and television services.

Program 1.3: Protection within the Communication System

Description

Through this program, the CRTC promotes compliance with and enforcement of its various laws and regulations, including unsolicited communications. It helps to ensure that Canadians have access to emergency communication services such as 9-1-1 service and alerting systems. As a result, Canadians have increased protection and benefit from a more secure communication system.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
9,594,595	9,594,595	11,198,435	10,458,959	864,364

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
69	76	7

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadian communication services contribute to the protection and safety of Canadians	Percentage of Canadians who consider that the CRTC is taking measures to enhance their safety and protection in the communication system	50%	66%[19]

Performance Analysis and Lessons Learned

Of Canadians polled, 66% agreed that the CRTC is taking measures to enhance their safety and protection in the communication system, which exceeds the target of 50%, and sets a baseline against which to measure future results.

The CRTC undertook a number of initiatives to safeguard the privacy of Canadians and protect them from unsolicited communications, including the operationalization of the Spam Reporting

[19] A public opinion poll was conducted by Harris/Decima for the CRTC in March 2015.

Centre[xxxviii] and new measures to mitigate unsolicited calls. High-profile enforcement actions have brought entities into compliance with the Unsolicited Telecommunications Rules (UTRs) and CASL, thereby eliminating a large volume of unsolicited calls and commercial electronic messages (i.e. spam). In addition, the CRTC implemented regulatory policy decisions to ensure that the UTRs and the National Do Not Call List (DNCL)[xxxix] remain responsive to the needs of Canadians. The CRTC also undertook initiatives to enhance the services that are essential to the safety of Canadians, including 9-1-1 and emergency public alerting services.

As part of Let's Talk TV, the CRTC put in place a system to help Canadians make informed choices and have recourse when issues arise. The CRTC took measures to develop a new Television Service Provider Code of Conduct and identify an associated independent ombudsman. This new code of conduct will require companies to provide better customer services, easy-to-understand agreements, and notifications of changes to services. The CRTC also took measures to ensure that Canadians with disabilities have easier access to more content that has been adapted to suit their needs.

The CRTC established a Voter Contact Registry, through which it will accept registrations from entities and parties that call voters during elections to help protect Canadians from rogue or misleading telephone calls. The CRTC conducted outreach activities to ensure that political parties and candidates are aware of their new responsibilities in time for the 2015 federal election.

Sub-Program 1.3.1: Safety-enhancing Communication Services

Description

The CRTC contributes to strengthening a communication system that provides services that enhance the safety of Canadians. Examples of these services include 9-1-1 emergency response services and access, and public alerting systems. The CRTC monitors the development of, and broadcaster participation in, the public alert system. In order to ensure that the 9-1-1 system remains up to date, the CRTC continues to enhance the regulatory framework for next generation 911 systems.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,282,527	2,111,468	-171,059

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
16	15	-1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Communication service providers offer safety-enhancing services	Percentage of broadcasters participating in public alerting system	80%	85%
	Percentage of facilities-based telecommunication service providers in compliance with 911 requirements	100%	97%

Performance Analysis and Lessons Learned

The CRTC estimates that 85% of broadcasters were compliant with new regulations, and updated exemption orders and conditions of licence that the CRTC implemented in August 2014 requiring the broadcasting industry's full participation in a national emergency alerting system by March 31, 2015. For broadcasters, this entailed installing equipment to automatically relay alert messages to the public issued by authorized groups such as Environment Canada and

provincial emergency management organizations. A subset of broadcasters, including campus and community broadcasters, were given until March 31, 2016.

The CRTC continued to monitor industry Internet traffic management practices (ITMP), both domestically and internationally. In 2014–15, the CRTC processed 53 complaints regarding the ITMPs of telecommunications service providers. Complaints from Canadians largely focused on Internet speed issues, while complaints regarding companies' improper ITMP disclosure practices are down.

As of March 31, 2015, facilities-based telecommunications service providers' compliance with 9-1-1 requirements was 97%, slightly below the target of 100%.[20] The CRTC has been conducting an ongoing monitoring program to ensure that telecommunications service providers are meeting all of their 9-1-1 requirements. This involves following up on any complaints received, and proactively investigating telecommunications service providers to determine their compliance. In cases of non-compliance, the CRTC takes appropriate actions to address any issues.

Following a public consultation, the CRTC issued its 9-1-1 Action Plan in June 2014. The plan includes key initiatives aimed at enhancing Canadians' access to existing 9-1-1 services and facilitates the transition to next-generation 9-1-1 services. Next-generation 9-1-1 services will provide callers with new ways to access emergency services from multiple devices and platforms. The CRTC continued to work with external stakeholders on the implementation of Text with 9-1-1, which was available as of March 31, 2015 in five provinces.

The CRTC responded to Canadians' complaints regarding the loudness of commercial messages and notes the number of complaints has continued on a downward trend.

[20] This is based on Commission staff findings and reports of non-compliance received by the Commission from all 9-1-1 stakeholders, such as consumers, public safety answering points (PSAPs), and telecommunications service providers.

Sub-Program 1.3.2: Unsolicited Commercial Communications

Description

The CRTC enhances the privacy and protection of Canadians, including Canadian consumers, by promoting compliance with and enforcement of its rules and regulations relating to unsolicited communications, including those related to the National Do Not Call List (DNCL) and Canada's anti-spam legislation (CASL). In order to make Canadians more aware of the measures available to protect themselves from unsolicited communications, the CRTC designs public education and outreach activities for the DNCL and CASL. The CRTC also develops domestic and international partnerships in order to facilitate enforcement activities related to the DNCL and CASL. The CRTC investigates complaints and takes appropriate enforcement actions for both the DNCL and CASL.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
7,312,068	8,347,491	1,035,423

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
53	61	8

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Unsolicited commercial communications violations are reduced	Percentage of unsolicited commercial messages (spam) reduced within 12 month period	10%	The results for this indicator will be reported after CASL has been in force for 12 months.
	Percentage of organizations that remain compliant[21] within 12 months after compliance/enforcement action taken	80%	98%

Performance Analysis and Lessons Learned

The CRTC aims to reduce spam by 10% within 12 months of the date on which the majority of CASL provisions came into force, July 1, 2014. Therefore, the results will be reported in the next CRTC Departmental Performance Report. Cloudmark Inc., a U.S.-based Internet security company, stated in its 2015 Q1 Security Threat Report that spam originating in Canada has been reduced by as much as 37% following the implementation of CASL, and that it also found a 29% drop in the email volume (both spam and legitimate emails) received by Canadians. Of organizations found in violation of the Unsolicited Telecommunications Rules (UTRs), 98% remained compliant in the 12 months after a compliance or enforcement action was taken.

With the coming into force of CASL, the CRTC conducted outreach activities, and its Spam Reporting Centre (SRC) became operational. To promote compliance with CASL, the CRTC conducted over 20 outreach and communications activities, reaching over 3,500 organizations across the country. Over 9 months, approximately 35,000 Canadians made 250,000 submissions to the SRC. This and other data feeds were analyzed by the agencies mandated to enforce CASL: the Competition Bureau, the CRTC, and the Office of the Privacy Commissioner of Canada. Targeted investigations led to enforcement actions against entities that had sent an estimated 79 million commercial electronic messages that were in violation of CASL. Specifically, 6 warning letters and 2 notices of violation (NoVs) with administrative monetary penalties totalling over $1.7 million were issued by the Chief Compliance and Enforcement Officer. Preliminary work was done to identify Canadian entities engaged in the unauthorized installation of software, such as malware and botnets, and the hosting of malicious URLs. The CRTC also worked with a small business, which had unknowingly sent approximately 73 million spam messages in July 2014 alone, to remove malware that had been installed on its server.

[21] Compliant with the Unsolicited Telecommunication Rules

Investigations involving telemarketers and others calling Canadians in violation of the UTRs resulted in various enforcement actions, including 16 warning letters, 7 citations, and 34 NoVs with administrative monetary penalties totalling over $2 million issued by the Chief Compliance and Enforcement Officer. Two of those NoVs involved entities that had violated the UTRs despite having already done so within the previous 12 months. Telemarketers (such as those in the vacation and home improvement industries) that made over 25 million documented calls to Canadians in violation of the UTRs were brought into compliance. The CRTC also implemented its decision[xl] to maintain the UTRs with respect to automatic calling devices, and to modify some of the provisions to ensure that telemarketers respect Canadians' wishes not to be disturbed. The publication of enforcement actions and advisories is part of the CRTC's strategy to promote compliance with the UTRs and CASL.

As part of its measures to fight against caller ID spoofing, the CRTC hosted a workshop for the Messaging, Malware and Mobile Anti-Abuse Working Group, an international organization devoted to fighting against unsolicited telecommunications. As a result of this workshop, the CRTC established the Canadian Telephony Honeypot, in partnership with the National Cyber-Forensics and Training Alliance and with Canadian telecommunications service providers, to gather accurate, complete, and timely information on unsolicited calls in support of investigations.

The CRTC implemented its 2013–14 decision[xli] to make registration of telecommunications numbers on the National DNCL permanent so that Canadians do not need to re-register their numbers.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
13,510,105	13,510,105	14,307,900	14,017,378	507,273

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
114	119	5

Performance Analysis and Lessons Learned

In 2014–15, the CRTC advanced the Public Service Excellence Agenda toward the delivery of high-quality, Canadian-centred, and results-focused outcomes, while ensuring the efficient and effective management of public funds. The CRTC continued to modernize its outreach efforts to Canadians and external stakeholders. It hosted a roundtable discussion at the annual meeting of the Canadian Communication Association in June 2014 to strengthen collaboration with the academic community. In addition, the CRTC continued to improve its digital presence and citizen engagement efforts through enhancements to its social media presence and website, leveraging multiple digital platforms to facilitate real-time discussions with Canadians on issues that are meaningful to them.

During the summer of 2014, the CRTC launched an internal efficiency review process to identify cost savings/cost avoidance initiatives and reinvestment opportunities in order to achieve a 5 to 10% reduction in its operating costs. In 2014–15, the CRTC achieved a reduction in operating

costs of approximately 8%. The CRTC produced two status reports on the remediation actions it has taken to address the internal control risks identified by Deloitte as part of the CRTC's implementation of the Treasury Board of Canada's "Policy on Internal Control" and "Internal Controls over Financial Reporting." The remediation actions have been completed for the majority of the recommendations, and plans are set to complete the remaining items in 2015–16.

An update of the CRTC's five-year Investment Plan was approved in December 2014. Through this plan, the CRTC ensures that resources are aligned with corporate priorities and that contracting requirements are well planned and properly budgeted.

The CRTC also implemented the Government of Canada's new Directive on Performance Management, and provided training to managers and staff in 2014–15. Specifically, the CRTC offered its employees training in strategic thinking, creativity and innovation, leadership, values and ethics, and a respectful workplace, in both official languages.

Section III: Supplementary Information

Financial Statements Highlights

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2015
(dollars)

Financial Information	2014–15 Planned Results	2014–15 Actual	2013–14 Actual	Difference (2014–15 actual minus 2014–15 planned)	Difference (2014–15 actual minus 2013–14 actual)
Total expenses	65,030,000	63,463,000	60,662,000	-1,567,000	2,801,000
Total revenues	47,444,000	46,322,000	47,192,000	-1,122,000	-870,000
Net cost of operations before government funding and transfers	17,586,000	17,141,000	13,470,000	-445,000	3,671,000

Note: These figures are net departmental revenues and do not include the revenues earned on behalf of the Government which totalled $122.1 million for 2014–15.

Revenues

Total revenues collected were $168.4 million at the end of 2014−15 a net increase of $5.5 million versus last year's total revenue collected. Of this amount, $3.7 million was deferred revenues. The net increase, excluding the deferred revenues amounts to $1.8 million. There was an increase in Part II fees ($1 million) and an increase in the Do Not Call List Administrative Monetary Penalties and other miscellaneous revenue ($0.8 million).

Expenses

Total expenses were $63.5 million at the end of 2014−15, an increase of $2.8 million versus last year's total expenses. The increase is mainly attributable to salaries and employee benefits ($3.7 million) and a decrease in other operating expenses ($0.9 million).

Condensed Statement of Financial Position (unaudited)
As at March 31, 2015
(dollars)

Financial Information	2014–15	2013–14	Difference (2014–15 minus 2013–14)
Total net liabilities	9,842,000	6,538,000	3,304,000
Total net financial assets	5,339,000	2,766,000	2,573,000
Departmental net debt	4,503,000	3,772,000	731,000
Total non-financial assets	3,608,000	3,556,000	52,000
Departmental net financial position	-895,000	-216,000	679,000

Assets

Total assets were $8.9 million at the end of 2014–15, a net increase of $2.6 million versus last year's total assets. The increase is mainly attributable to the Due from the Consolidated Revenue Fund ($2.5 million) and an increase in the prepaid expenses ($0.1 million).

Liabilities

Total liabilities were at $9.8 million at the end of 2014–2015 an increase of $3.3 million versus last year's total liabilities. The increase is mainly attributable to an increase in the Account payable and accrued liabilities ($2.5 million), an increase in Employee future benefits ($0.7 million) and an increase in Vacation pay and compensation leave ($0.1 million).

Financial Statements

Full, unaudited Financial Statements of the CRTC for 2014–15, including the Statement of Management Responsibility, are available online at the CRTC's website.[xlii]

Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Departmental Performance Report* are available on the CRTC's website.[xliii]

- User Fees and External Fees[xliv]
- Departmental Sustainable Development Strategy[xlv]

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[xlvi] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

CRTC Central Office

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec J8X 4B1

CRTC Telephone

In Canada:
Toll-free: 1-877-249-CRTC (2782)
Toll-free TTY: 1-877-909-CRTC (2782)

Outside Canada:
819-997-0313
TTY: 819-994-0423

Fax: 819-994-0218

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

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xvii. Treasury Board of Canada's Directive on Recordkeeping, http://tbs-sct.gc.ca/pol/doc-eng.aspx?id=16552&section=HTML

xviii. CRTC, Communications Monitoring Report, http://www.crtc.gc.ca/eng/publications1.htm

xix. Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

xx. *Public Accounts of Canada 2015*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

xxi. Public Works and Government Services Canada website, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

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